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61-7076

24 August 1961

MEMORANDUM FOR: Inspector General
THROUGH: Deputy Director (Plans)
SUBJECT: Quarters of Overseas Personnel

1. I assumed responsibility for the Near East and South Asian Division in the latter half of September, 1960; at that time I became aware of and perused the Inspector General report following a survey of the entire Division early in 1960. The report in question was highly critical and touched upon almost every element and activity of the Division; almost a hundred specific items, as I recall, were the subject of recommendations for corrective action. At that time I gave considerable thought to the position I should take on this report. From the actions that had already been taken on the report by the former Chief of the Division, I assumed that I had two courses of action open to me:

(a) I could respond by either corrective action or a statement of disagreement to each specific criticism in the report,

(b) I could accept the report as it stood and utilize it as a guide in assuming my responsibility as a Division Chief of an area totally unfamiliar to me.

Taking the former choice would have automatically limited my own freedom of action in establishing priorities for dealing with problems in the Division. After reading the report and making my initial visit to the field stations of the Division, I found that in most instances my own observations were in accord with those in the Inspector General report; in several instances, I felt the conclusions drawn were somewhat more sharply stated than was warranted by the evidence presented. Soon after taking over the Division I instructed my senior support officer, who had come to the Division with me from the EE Division,

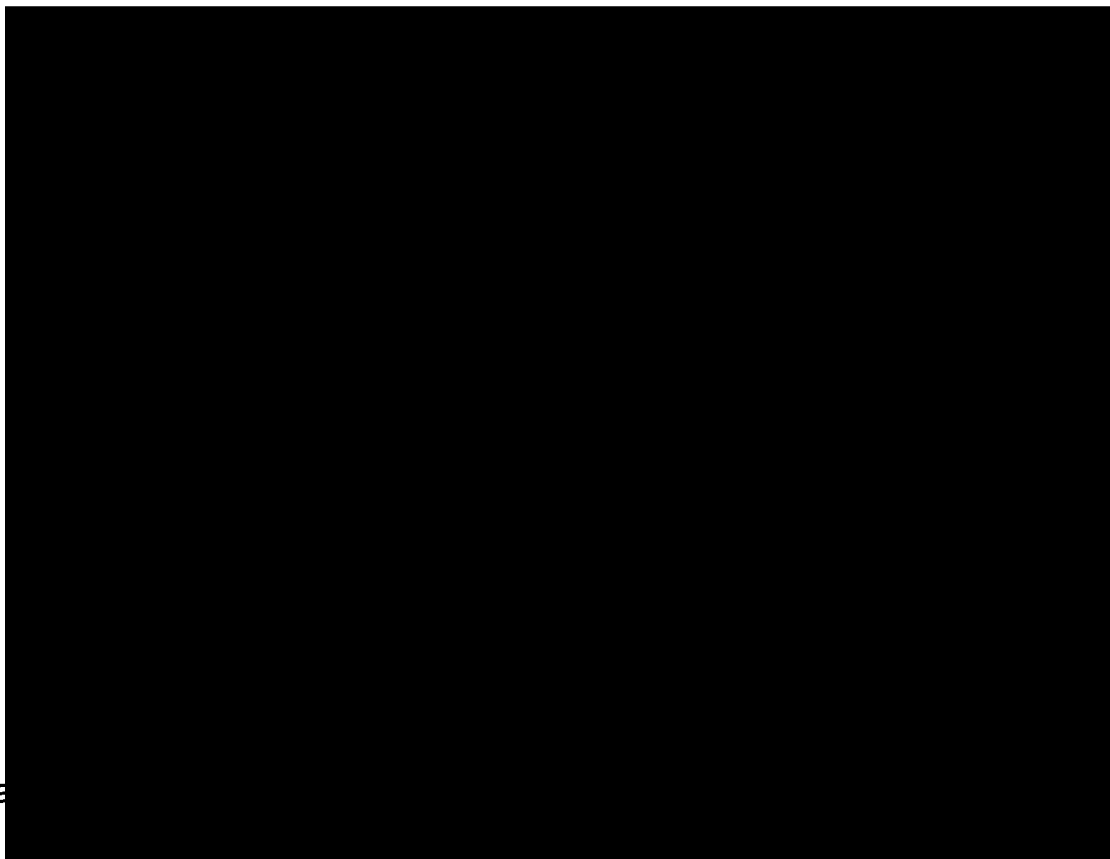
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to carefully review the IG report, visit all of the Stations most criticized and to give detailed attention to the elements of administration most strongly criticized. Following his trip a number of changes in both administrative and management practices within the Division have taken place. I have described the above simply to indicate the action being taken that relates directly to the IG report of last year. I would also note that the majority of the problems identified in the IG report stem directly from practices and management policies of the Agency, the CS and the Division over a period of many years. Few of these are susceptible to solution over a period of months.

2. A number of steps have been taken to bring the practices regarding housing, vehicle, furniture and related living allowances more into line with those of other U. S. agencies. Unquestionably the liberal practices that have existed in CIA, and particularly I believe in the Near East area, have contributed to at least a minor degree to the frictions that exist in our relations with other U. S. agencies. Regarding the two cases cited in reference, I offer the following comments:



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